

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Park National Corporation

Point of Contact:	John W. Kozak	RSSD: (For Bank Holding Companies)	114236
UST Sequence Number:	174	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	100,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 23, 2008	City:	Newark
Date Repaid ¹ :	N/A	State:	Ohio

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

We believe that the CPP capital significantly increased our ability to make loans to customers in our markets. The CPP program was developed by Treasury during a severe recession and we believe that the program was very effective in enabling banks to continue lending.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Our community banks were able to meet the loan demand in our markets. During 2010, we experienced an increase in loan balances of \$92.2 million. This increase was primarily in residential mortgage loans.

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☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☐ Held as non-leveraged increase to total capital.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We believe that without the CPP program that we would have reduced our lending in our markets. With the CPP funds, we have aggressively tried to increase lending. We actively called on auto dealers, realtors and commercial customers to ensure that our local markets understood that we were making loans. We continue to promote our ability to make loans to customers in our markets. We were able to increase our total loan balances by \$92 million or 2.0% to \$4,733 million at December 31, 2010.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Please see our previous response. The CPP funds improved our capital position and enabled our community banks to aggressively pursue making loans in our local markets.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A - no other actions to describe.